REMARKS

The above amendments to the above-captioned application along with the following remarks are being submitted as a full and complete response to the Office Action dated February 10, 2005. Applicants thank the Examiner for taking the time to conduct a telephone interview with the undersigned on May 9, 2005.

In view of the above amendments and the following remarks, the Examiner is respectfully requested to give due reconsideration to this application, to indicate the allowability of the claims, and to pass this case to issue.

Status of the Claims

Claims 1-16 are under consideration in this application. Claims 1, 9 and 10 are being amended, as set forth in the above marked-up presentation of the claim amendments, in order to more particularly define and distinctly claim applicants' invention.

Additional Amendments

The Title and the claims are being amended to correct formal errors and/or to better disclose or describe the features of the present invention as claimed. All the amendments to the claims are supported by the specification. Applicants hereby submit that no new matter is being introduced into the application through the submission of this response.

Prior Art Rejections

Claims 1-16 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 6,125,312 to Nguyen et al. (hereinafter "Nguyen"). The prior art reference of Vines et al (6,006,171) was cited as being pertinent to the present application. This rejection has been carefully considered, but is most respectfully traversed.

The computer-implemented method (claim 1), the automated system (claim 9), and the computer program product (claim 10) for ***a third party provider*** (other than the owner or the supplier/seller of the equipment or fixtures) to guarantee the performance of long-term capital equipment or fixtures of ***an owner*** by managing and maintaining the long-term capital equipment or fixtures for a specified period of time, comprises the steps of: (1) diagnosing existing conditions of the long-term capital equipment or fixtures by the provider to determine if any repairs are required to bring the long-term capital equipment or fixtures to a predetermined

start-up standard of performance ("*transferring roof performance risk from the build-owner to another party*" paragraph [16]), said predetermined start-up standard of performance being negotiated between the owner and the provider; (2) repairing the long-term capital equipment or fixtures by the provider to reach the start-up standard if any of the existing conditions are below the predetermined start-up standard; (3) developing a maintenance schedule by the provider to perform recurrent inspections, preventive maintenance, and housekeeping on the long-term capital equipment or fixtures so as to maintain the long-term capital equipment or fixtures at a standard of performance for a specified period of time, said standard of performance being negotiated between the owner and the provider and set to within industry acceptable parameters; and (4) providing a warranty by the provider on the long-term capital equipment or fixtures in conjunction with the purchase by the owner of performance of the (1)-(3) steps, said providing of the warranty including transferring from the owner to the provider the technical and financial risk associated with managing and maintaining the long-term capital equipment or fixtures within the standard of performance during the specified period of time ("*The high-level cost estimate 1200 is then used to negotiate the terms of the contract with the building owner or facilities manager 1400. These negotiations include determining the initial standard conditions*" paragraph [30])) and set to bring the long-term capital equipment or fixtures at least to within industry acceptable parameters so as to maintain the long-term capital equipment or fixtures over the specified time of the warranty (paragraph [31]).

First, Applicants respectfully contend that Nguyen does not teach or suggest **transferring from the owner to a third party provider the risk** of maintaining performance of an existing/used long-term capital equipment or fixtures wherein (1) the provider diagnoses existing conditions of the long-term capital equipment or fixtures to determine if any repairs are required to bring the long-term capital equipment or fixtures to a predetermined start-up standard of performance, said predetermined start-up standard of performance being negotiated between the owner and the provider; (2) the provider repairs the long-term capital equipment or fixtures to reach the start-up standard if any of the existing conditions are below the predetermined start-up standard; (3) the provider develops a maintenance schedule to perform recurrent inspections, preventive maintenance, and housekeeping on the long-term capital equipment or fixtures so as to maintain the long-term capital equipment or fixtures at a standard of performance for a specified period of time, said standard of performance being negotiated between the owner and the provider and set to within industry acceptable parameters; and (4) the provider provides a warranty on the long-term capital equipment or fixtures in conjunction with the purchase by the

owner of performance of the (1)-(3) steps, said providing of the warranty including transferring from the owner to the provider the technical and financial risk associated with managing and maintaining the long-term capital equipment or fixtures within the standard of performance during the specified period of time.

In contrast, "*the aircraft engine manufacturer or servicing agent* (col. 5, lines 15-16)" in Nguyen only offers to a buyer of a new (col. 2, line 65) aircraft/engine a warranty, rather than offering an owner of the owned aircraft/engine a warranty. The Nguyen computer tracking system merely records and logs all aircraft maintenance records and issues due lists notifying when aircraft system components require maintenance or replacement so as to assist the aircraft **buyer** or its maintenance agent/staff to save time in filing warranty claims with the manufacturers of new aircraft or its authorized servicing agents for covered parts based upon the relevant fault codes permutated by FAA or other countries' governmental agencies ("*The warranty claim report generator 30 compiles all of the valid warranty actions to produce a single warranty claim and then to generate a warranty claim application report. ... it may be transmitted by telecommunication means such as modem 34 directly to the aircraft engine manufacture or servicing agent for the purposes of processing the warranty claim*" col. 5, lines 10-17).

An owner of an aircraft usually signs an extended service contract with an ***insurance company*** and hires any authorized maintenance service providers to performance the maintenance service on an **on-demand** basis. The owner has to file a claim with the insurance company for covered mechanical breakdowns or failures, then contacts a repair service provider to perform the actual repair or replacement. The insurance company only pays for the repair or replacement cost, i.e., assuming the financial risk of maintaining performance but not the actual maintenance performance risk by repairing, developing a maintenance schedule, and maintaining according to the invention. In particular, the insurance company only covers particular mechanical breakdowns or failures, e.g., drive axle, transmission case, etc. but excluding wear and tear. The owner has the responsibility of hiring authorized maintenance service providers to check and maintain the equipment or fixtures according to maintenance schedule recommended by the original manufacturer and of paying the cost of repairing or replacing regular wear and tear.

On the other hand, the maintenance service provider of the invention assumes both of the actual performance work and financial risk (not just financial risk as the insurance company). The maintenance service provider of the invention not only actually performances repair, but

also checking and maintaining the equipment or fixtures according the maintenance schedule on a **routine** basis ("*routine visual inspection*" p. 15, line 2 of paragraph [50]) without being contacted by the owner, rather than the "**on demand**" basis. The maintenance service provider of the invention maintains and pays for the whole covered equipment or fixtures, rather than just particular mechanical breakdowns or failures but excluding wear and tear. In particular, the invention deliberately covers wear and tear, such as of a roof. In addition, the maintenance service provider of the invention develops the maintenance schedule, while the insurance company requires the owner to follows a maintenance schedule development by the original manufacturer.

The Examiner's reliance upon the "common knowledge and common sense" of one skilled in the art for the allegedly "inherent" teachings, such as "*the warranty inherently transfers the risk of maintaining performance of the equipment ... to the warranty provider assumes responsibility for repairs* (p. 2, last paragraph of the outstanding office action)" did not fulfill the agency's obligation to cite references to support its conclusions. Instead, the Examiner must provide the specific teaching of allegations of "inherent" teachings on the record, such as *statements in the prior art,* to allow accountability.

> *To establish a prima facie case of obviousness, the Board must, inter alia, show "some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references." In re Fine, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). "The motivation, suggestion or teaching may come explicitly from* ***statements in the prior art****, the knowledge of one of ordinary skill in the art, or, in some cases the nature of the problem to be solved." Kotzab, 217 F.3d at 1370, 55 USPQ2d at 1317. .... Recently, in In re Lee, 277 F.3d 1338, 61 USPQ2d 1430 (Fed. Cir. 2002), we held that the Board's reliance on "common knowledge and common sense" did not fulfill the agency's obligation to cite references to support its conclusions. Id. at 1344, 61 USPQ2d at 1434. Instead, the Board must document its reasoning on the record to allow accountability. Id. at 1345, 61 USPQ2d at 1435.*
>
> See In re Thrift, 298 F.3d 1357.

Such an obligation to provide specific teaching(s) also applies to other existing or future obviousness rejections.

Secondly, Applicants respectfully contend that Nguyen does teach or suggest such "a predetermined start-up standard or a standard of performance for a specified period of time (1) negotiated by the owner and the provider and (2) set to bring the long-term capital equipment or fixtures at least to within industry acceptable parameters so as to manage and maintain the long-term capital equipment or fixtures over the specified time according to the

warranty" according to the invention.

As admitted by the Examiner, Nguyen does not teach or suggest "*repairing the long-term capital equipment or fixtures to reach the start-up standard*" (p. 3, line 3 of the outstanding office action). The start-up standard or the standard of performance for a specified period of time of the invention is negotiated and determined by the owner and the provider, rather than the fixed safe flying standard promulgated by FAA. In addition, the start-up standard or the standard of performance for a specified period of time of the invention is negotiated and determined to bring the long-term capital equipment or fixtures at least to within industry acceptable parameters so as to manage and maintain the long-term capital equipment or fixtures over the specified time according to the warranty. In contrast, the insurance company does not cover pre-existing problems such as dents or actually maintain the aircraft, but simply requires the owner to follow the maintain schedule suggested by the original manufacturer. The insurance does not negotiate or determine any start-up standard, and much less about a start-up standard "to bring the long-term capital equipment or fixtures at least to within industry acceptable parameters so as to maintain the long-term capital equipment or fixtures over the specified time of the warranty."

In short, Nguyen's system was designed to reduce the warranty and financial exposure of the part supplier or the OEM of a new aircraft, and to improve their quality assurance program without transferring risk of ensured maintenance performance of any pre-owned long-term capital equipment or fixtures, and the insurance company only assume financial risk of repair or replace mechanical breakdowns or failures of a vehicle, but not performing the actual maintain. On the other hand, the invention transfers risk of cost and actual maintenance performance of the long-term capital equipment or fixtures to the provider. Nguyen's system and the insurance policy are merely reactionary -- triggered by a fault that has occurred and on-demand. On the other hand, the invention is proactive (p. 9, paragraph [33]) and is intended to anticipate and resolve problems before they become severe.

The unique properties as well as unexpected results provided by the invention will be testified by experts in the art and customers via the declarations to be submitted later through a supplemental response.

Applicants contend that Nguyen fails to teach or disclose each and every feature of the present invention as disclosed in independent claims 1, 9 and 10. As such, the present invention as now claimed is distinguishable and thereby allowable over the rejections raised in the Office

Action. The withdrawal of the outstanding prior art rejections is in order, and is respectfully solicited.

Conclusion

In view of all the above, clear and distinct differences as discussed exist between the present invention as now claimed and the prior art reference upon which the rejections in the Office Action rely, Applicants respectfully contend that the prior art references cannot anticipate the present invention or render the present invention obvious. Rather, the present invention as a whole is distinguishable, and thereby allowable over the prior art.

Favorable reconsideration of this application is respectfully solicited. Should there be any outstanding issues requiring discussion that would further the prosecution and allowance of the above-captioned application, the Examiner is invited to contact the Applicants' undersigned representative at the address and phone number indicated below.

Respectfully submitted,

Stanley P. Fisher
Registration Number 24,344

Juan Carlos A. Marquez
Registration Number 34,072

REED SMITH LLP
3110 Fairview Park Drive, Suite 1400
Falls Church, Virginia 22042
(703) 641-4200

May 10, 2005

SPF/JCM/JT